GOVERNMENT OF INDIA
DEVELOPMENT OF NORTH EASTERN REGION
LOK SABHA

UNSTARRED QUESTION NO:654
ANSWERED ON:22.10.2008
FDI FOR THE NER
Borkataky Shri Narayan Chandra

Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

(a) the details of proposal for Foreign Direct Investment (FDI) in North Eastern Region (NER) under consideration of the Government; and

(b) the strategy adopted by the Government to encourage FDI in the NER? .

Answer

MINISTER, MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI MANI SHANKAR AIYAR)

(a) & (b): The Ministry of Development of North Eastern Region has taken several initiatives to encourage investment in the North East during the last 2 years. Some of these are as follows:

(1) Sectoral Summits have been held by associating Central Govt. line ministries, state governments, expert organizations, civil society, business associations and all other stakeholders. So far, 9 Sectoral Summits have been held on various themes, namely (1) Power Sector (2) Road & Highways Sector (3) Commodity Boards & APEDA including Flood & Erosion Control, Irrigation and Inland Water Transport (4) Tourism and Hospitality Sector (5) Air-connectivity issues (6) Railway-connectivity (7) IT & IT-Enabled Services and Telecommunication (8) HRD & Sports Sector including Art & Culture and (9) Agriculture & Allied Services.

(2) A Special Summit was held on Banking, Industries and Credit Issues in the NER on 4* October, 2008 at New Delhi, aiming at expanding the role of formal financing system, strengthening the micro finance movement and evolve strategies for sustainable economic development of the Region in future.

(3) North East Business Summits, sponsored by this Ministry, evoked tremendous response. The 4* North East Business Summit was held in Guwahati on 15-16 September, 2008 which was inaugurated by HonWe Vice President of India. The Summit was attended by Chief Ministers & Ministers and officials of the North Eastern states as well as Ambassadors from 13 countries. From Central Government, Minister of State for Commerce & Industry and Minister of State for Food Processing Industries were also present in the Summit. These business summits have augmented economic interest, both by Indian and foreign entrepreneurs.

(4) The Look East Policy emphasizes trade and commercial linkages through projects like Kaladan Multi-Modal Transport Project, opening of Nathu-La in Sikkim to facilitate border trade with China, improving telecommunication between Moreh in Manipur state and Tamu in Myanmar.

(5) Ambassadors from ASEAN countries have expressed their keenness to visit North East in 3 groups in the ensuing months to explore possibilities for commercial linkages.

(6) The Ambassadors from Nordic countries, Italy and Czech Republic have visited North Eastern states and expressed satisfaction with the economic possibilities as they exist and are in the process of development.

(7) The Czech Republic has already shown interest in hydro-power sector,especially small hydro power projects, aviation sector/airport equipment, coal mining equipments and food processing sector.Thus, it is obvious that the North Eastern Region is poised for Indian as well as foreign investment. Business organizations like Confederation of Indian Industries (CII), Indian Chambers of Commerce (ICC), Federation of Industries & Commerce of the North Eastern Region (FINER) and North Eastern Development Finance Corporation Ltd. (NEDFI) have received several expressions of interest for setting up industry and trading partnership in the Region. ICC has signed MoUs with firms from Thailand, Bangladesh and several domestic entrepreneurs.